PRELIMINARY AND UNAUDITED

Quarterly Financial Report

4th QUARTER

Twelve months ended
February 29, 2008

Manitoba
Public Insurance

PREAMBLE

These interim financial statements for the fourth quarter ended February 29, 2008, are preliminary and unaudited. The interim financial statements are subject to change following review by management, external actuaries, and auditors. These unaudited interim financial statements should be read in conjunction with the annual audited financial statements and supporting notes included in the corporation's 2006 Annual Report.

STATEMENT OF OPERATIONS
(UNAUDITED)

	Three months ended February 29/28		Twelve months ended February 29/28	
	2008	2007	2008	2007
	(in thousands of dollars)		(in thousands of dollars)	
Premiums written	$ 193,346	$ 188,095	$ 842,053	$ 812,378
Total earned revenues	$ 217,115	$ 208,441	$ 869,679	$ 837,673
Claims costs	156,087	185,073	728,675	731,689
Expenses	43,673	41,593	169,108	158,021
Total claims and expenses	199,760	226,666	897,783	889,710
Underwriting income (loss)	17,355	(18,225)	(28,104)	(52,037)
Investment income, net	(296)	27,510	125,544	120,425
Net income from operations	17,059	9,285	97,440	68,388
Surplus distribution	599	424	(62,565)	(59,652)
Net income after surplus distribution	$ 17,658	$ 9,709	$ 34,875	$ 8,736

BALANCE SHEET
(UNAUDITED)

	February 29, 2008	February 28, 2007
	(in thousands of dollars)	
Assets		
Cash and investments	$ 2,187,313	$ 2,015,010
Accounts receivable	256,583	247,140
Other assets	127,043	95,581
	$ 2,570,939	$ 2,357,731
Liabilities		
Unearned premiums	$ 419,990	$ 403,929
Provision for unpaid claims	1,512,625	1,399,748
Provision for employee current and future benefits	202,625	180,251
Other liabilities	128,356	101,555
	2,263,596	2,085,483
Retained Earnings		
Basic insurance Retained Earnings		
Rate Stabilization Reserve	127,122	128,122
Immobilizer Incentive Fund	17,925	33,143
	145,047	161,265
Competitive lines retained earnings		
Retained Earnings	103,739	110,983
Extension Development Fund	35,389	0
	139,128	110,983
	284,175	272,248
Accumulated Other Comprehensive Income	23,168	0
	$ 2,570,939	$ 2,357,731

STATEMENT OF RETAINED EARNINGS
(UNAUDITED)

	Three months ended February 29/28		Twelve months ended February 29/28	
	2008	2007	2008	2007
Basic Insurance	(in thousands of dollars)		(in thousands of dollars)	
Rate Stabilization Reserve				
Balance beginning of period	$ 128,578	$ 115,028	$ 128,122	$ 136,071
Transition adjustment (note 3)	(22,693)	0	(22,693)	0
Net income (loss) after surplus distribution	16,656	8,418	6,475	(11,869)
Transfer from Immobilizer Incentive Fund	4,581	4,676	15,218	3,920
Balance end of period	127,122	128,122	127,122	128,122
Immobilizer Incentive Fund				
Balance beginning of period	22,506	37,819	33,143	37,063
Transfer to Rate Stabilization Reserve	(4,581)	(4,676)	(15,218)	(3,920)
Balance end of period	17,925	33,143	17,925	33,143
Balance Basic Insurance Retained Earning end of period	145,047	161,265	145,047	161,265
Competitive Lines				
Balance beginning of period	101,828	109,692	110,983	90,378
Transition adjustment (note 3)	(255)	0	(255)	0
Net income from operations	1,002	1,291	28,400	20,605
Transfer from (to) Extension Development Fund	1,164	0	(35,389)	0
Balance end of period	103,739	110,983	103,739	110,983
Extension Development Fund				
Balance beginning of period	36,553	0	0	0
Transfer from (to) Competitive Lines Retained Earnings	(1,164)	0	35,389	0
Balance end of period	35,389	0	35,389	0
Balance Competitive Lines Retained Earnings end of period	139,128	110,983	139,128	110,983
Balance Retained Earnings end of period	$ 284,175	$ 272,248	$ 284,175	$ 272,248

STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	Three months ended February 29/28		Twelve months ended February 29/28	
	2008	2007	2008	2007
	(in thousands of dollars)		(in thousands of dollars)	
Net income after surplus distribution	$ 17,658	$ 9,709	$ 34,875	$ 8,736
Other Comprehensive Income (Loss)				
Unrealized gains (losses) on available-for-sale financial assets	983		(26,775)	
Reclassification to income from available-for-sale financial assets	18,933		(30,332)	
Other Comprehensive Income (Loss) for the period	19,916		(57,107)	
Total Comprehensive Income (Loss) for the period	$ 37,574		$ (22,232)	

STATEMENT OF ACCUMULATED OTHER COMPREHENSIVE INCOME
(UNAUDITED)

Balance beginning of period	$ 3,252	$ 0
Transition adjustment (note 3)	0	80,275
Other Comprehensive Income (Loss) for the period	19,916	(57,107)
Balance end of period	$ 23,168	$ 23,168

STATEMENT OF CASH FLOWS
(UNAUDITED)

	Three months ended February 29/28		Twelve months ended February 29/28	
	2008	2007	2008	2007
	(in thousands of dollars)		(in thousands of dollars)	
Cash Flows From (To) Operating Activities				
Net income after surplus distribution	$ 17,658	$ 9,709	$ 34,875	$ 8,736
Non-cash items	(24,646)	(34,516)	(23,806)	(37,222)
	(6,988)	(24,807)	11,069	(28,486)
Net change in non-cash balances	28,806	38,485	122,743	123,766
	21,818	13,678	133,812	95,280
Cash Flows From (To) Investing Activities	(31,821)	(23,971)	(60,135)	(128,514)
Increase (Decrease) in Cash and Short-term Investments	(10,003)	(10,293)	73,677	(33,234)
Cash and short-term investments beginning of period	140,780	67,393	57,100	90,334
Cash and Short-term Investments End of Period	$ 130,777	$ 57,100	$ 130,777	$ 57,100

Notes to Financial Statements

1 Certain of the comparative figures have been reclassified to conform with the current period financial statement presentation.

2 These interim financial statements:

- should be read in conjunction with the corporation's 2006 Annual Report including the financial statements and supporting notes.
- have been prepared following the same accounting policies that are disclosed in the corporation's 2006 Annual Report except as described in note 3.

3 Effective March 1, 2007 the corporation adopted the recommendations of CICA Handbook Section 1530, Comprehensive Income ("Section 1530"); Section 3855, Financial Instruments - Recognition and Measurement, Section 3861, Financial Instruments - Disclosure and Presentation; and Section 3251, Equity. These sections provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities, and non-financial derivatives. Section 1530 provides standards for the reporting and presentation of Comprehensive Income, which represents the change in equity from transactions and other events and circumstances from non-owner sources. Other Comprehensive Income refers to items recognized in Comprehensive Income that are excluded from Net Income calculated in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The effect of the application of these standards increased the carrying value of investments by $80,275,000 from $2,015,010,000 to $2,095,295,000 at March 1, 2007, to reflect the fair value of available-for-sale financial assets. As a consequential effect of applying these new standards, the claims liabilities were recalculated using a market rate at March 1, 2007, resulting in an increase to the claims liabilities of $22,948,000. Changes resulting from the recalculation have been recorded as transition adjustments in opening Basic Rate Stabilization Reserve and opening Competitive Lines retained earnings.